

Corporate Strategic Plan

2022 - 2024

Theme: Better Taxpayer Service, Optimized Revenues

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MESSAGE FROM THE CHAIRPERSON



On behalf of the Governing Board and Management of the Zambia Revenue Authority (ZRA), I have the pleasure to present the Corporate Strategic Plan (CSP) for the period 2022 to 2024.

This Plan outlines what the Authority intends to deliver over the next three years. It sets the course for further strengthening of the Authority's pursuit of its vision to be "*a model of excellence in revenue administration and trade facilitation*". Additionally, it sets the groundwork for the development of a modern tax administration and with it, increased capacity to successfully execute its mission to "*optimise and sustain revenue collection and administration for a prosperous Zambia*".

The guiding principle of the Plan is the integration of the mandate of the Authority as envisaged in the Constitution of the Republic of Zambia and the ZRA ACT for the purpose of contributing to the attainment of the objectives of the National Development Plan and the Vision 2030.

As a Governing Board, we are pleased to note that this Plan is a culmination of engagement with all our key stakeholders; and taxpayers, particularly, must find comfort in the knowledge that the Plan presents potential positive benefits for them in terms of customer experience and for the country at large in terms of revenue collection and trade facilitation.

ZRA, as corporate body, has not been spared from the adverse effects of the COVID-19 pandemic. However, I, on behalf of all members of the Governing Board, would like to commend Management and Staff for their rapid response in managing the situation. The Authority mobilised resources to put adequate measures in place in line with the guidelines provided by the Ministry of Health, which significantly helped to mitigate the impact of the pandemic. Although COVID-19 continues to be a threat to our livelihoods, we have confidence in the resilience of the Authority to face the future.

Among the things I would like to see realised during the life of this Plan is enhanced domestic revenue mobilisation through smart partnerships at the grassroots level, including rural areas. In this regard, the signing of contracts with more local authorities is a move in the right direction and must be built upon with other innovative collaborations.

I wish, on behalf of the Governing Board members, to thank everyone who participated in different ways the formulation of this Corporate Strategic Plan. The Governing Board is fully committed to working together with all the Authority's stakeholders to ensure the successful implementation of this Plan.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a horizontal line and a flourish.

Dr. Caleb Fundanga
BOARD CHAIRPERSON

FOREWORD BY THE COMMISSIONER GENERAL



It is my great pleasure to share with you our Corporate Strategic Plan (CSP) which sets out the key priorities that will guide the Zambia Revenue Authority for the next three years ending in December 2024.

Rooted in our theme “*Better Taxpayer Service, Optimised Revenues*”, this CSP outlines our key strategies to drive us towards our envisioned organisation - “*A model of excellence in revenue administration and trade facilitation*”.

The new CSP is building on significant innovative milestones scored under the CSP 2019-2021 all aimed at easing tax administration and tax compliance, notable of which include: the in-house development of our Tax Administration system for inland taxes; the development of additional electronic platforms - TaxOnPhone, TaxOnApp and Payment via WhatsApp; and opening up of Taxpayer Service Centres at some of the major shopping malls in the country. Currently, we are at an advanced stage of another innovative milestone, the development of our own system for customs.

The development of the new CSP benefited greatly from a consultative approach at different levels, which helped us to identify the Authority’s challenges and opportunities; and enabled us to develop appropriate strategies to address them. The Plan is anchored on the following four Strategic Pillars and their respective Key Results Areas (KRA):

- i. Tax Compliance (*KRA - Enhanced revenue collection*)
- ii. Customer Focus and Collaboration (*KRA - Satisfied and knowledgeable taxpayers*)
- iii. Process Efficiency (*KRA - Simplified, efficient, and reliable business systems*)
- iv. Right People (*KRA - Committed, competent and high performing workforce*)

The top priorities of the new CSP include ensuring that the Authority is sufficiently integrated at system level with key entities locally and within the region. This, when achieved, will greatly enhance our operational efficiency.

With the continued support of all our stakeholders, we are confident that ZRA shall continue to contribute to the economic and social wellbeing of the people of Zambia.



Dingani Banda
COMMISSIONER GENERAL

LIST OF ABBREVIATIONS

ADOP	Annual Output Plan
ASYCUDA	Automated System for Customs Data
BCM	Business Continuity Management
BCP	Business Continuity Plan
BIDA	Bulk Intelligence Data Analysis
BOZ	Bank of Zambia
BRN	Business Registration Number
CIT	Company Income Tax
COVID-19	Coronavirus Disease 2019
CSP	Corporate Strategic Plan
DR	Disaster Recovery
DRC	Demographic
ECTS	Electronic Cargo Tracking System
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HQ	Head Quarters
HR	Human Resource
ICT	Information Communications Technology
IFMIS	Integrated Financial Management Information System
INRIS	Integrated National Registration and Information System
IPL	Insurance Premium Levy
KPI	Key Performance Indicator
KRA	Key Results Area
KYC	Know Your Customer
M&E	Monitoring and Evaluation
MoF	Ministry of Finance
MoU	Memorandum of Understanding
NAPSA	National Pension Scheme Authority
NRC	National Registration Card
PACRA	Patents and Company Registration Agency
PPP	Public Private Partnerships
RCS	Research & Corporate Strategy
RDA	Road Development Agency
RTSA	Road Transport and Safety Agency
SAP	Systems Application Product
SMM	Senior Management Members
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TARPS	Tax Administration Receipting and Payments
TCC	Tax Clearance Certificate
TO1	TaxOnline (I) System
TO2	TaxOnline (II) System
TPIN	Taxpayer Identification Number
VAT	Value Added Tax
ZEMA	Zambia Environmental Management Agency
ZESCO	Zambia Electricity Supply Corporation
ZMW	Zambian Kwacha
ZPPA	Zambia Public Procurement Authority
ZRA	Zambia Revenue Authority

EXECUTIVE SUMMARY

The Corporate Strategic Plan

This is the Corporate Strategic Plan for the Authority covering the period 2022-2024. Based on the Balanced Scorecard Model, the Plan was developed consultatively around the following Vision, Mission and Core Values:

Vision Statement

A model of excellence in revenue administration and trade facilitation

Mission Statement

To optimise and sustain revenue collection and administration for a prosperous Zambia

Core Values

Taxpayer Focus
Integrity
Professionalism
Innovation
Networking

Figure 1 presents an overview of the CSP2022-2024 in terms of strategic pillars, key result areas and strategic objectives.

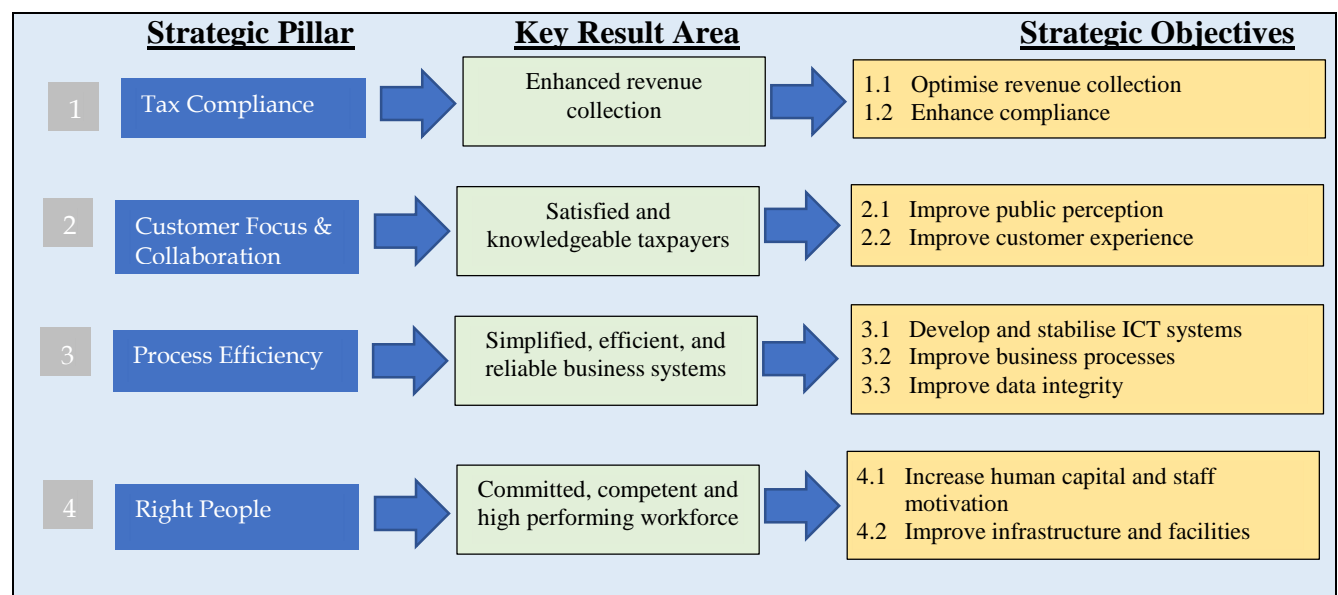


Figure 1: CSP2022-2024 Overview

1. INTRODUCTION

This document presents the Corporate Strategic Plan (CSP) for the Zambia Revenue Authority for the period 2022-2024. It was developed in line with the Economic Recovery Plan, the 7th National Development Plan and the Vision 2030; and is a product of wide consultation internally and externally.

1.1. Background

The Zambia Revenue Authority (ZRA) was formed in 1994 through an Act of Parliament, the ZRA Act, Chapter 321 of the Laws of Zambia with the following mandate:

- To assess, charge, levy and collect all revenue due to the Government under such laws as the Minister may, by statutory instrument, specify;
- To ensure that all revenue collected is, as soon as reasonably practicable, credited to the Treasury;
- To perform such other functions as the Minister may determine.

The Authority has a Governing Board, which is appointed by the Minister of Finance in accordance with the ZRA Act. It is put in place to oversee the operations of the Authority and comprises:

1. a representative of the Secretary to the Treasury;
2. a representative of the Attorney General;
3. the Governor of the Bank of Zambia;
4. a representative of the Law Association of Zambia;
5. a representative of the Zambia Association of Chambers of Commerce and Industry;
6. a representative of the Bankers' Association of Zambia;
7. a representative of the Zambia Institute of Chartered Accountants; and
8. two other members appointed by the Minister of Finance.

The Commissioner General, as Chief Executive Officer, is responsible for the day-to-day administration of the Authority. The organisation structure for Senior Management is in Annex 2.

The Authority formulates a CSP every three years, based on the Balanced Scorecard Model, to communicate its strategic direction and priorities.

1.2. ZRA Past Performance

Significant milestones were scored under the CSP2019-2021, which was anchored on the following Strategic Pillars:

1. Tax Compliance – with KRA “*Enhanced revenue collection*”.
2. Customer Focus and Collaboration – with KRA “*Satisfied and Knowledgeable taxpayers*”.
3. Process Efficiency – with KRA “*Efficient, reliable and simplified business processes*”.
4. Right People – with KRA “*Committed, competent and high performing workforce*”.

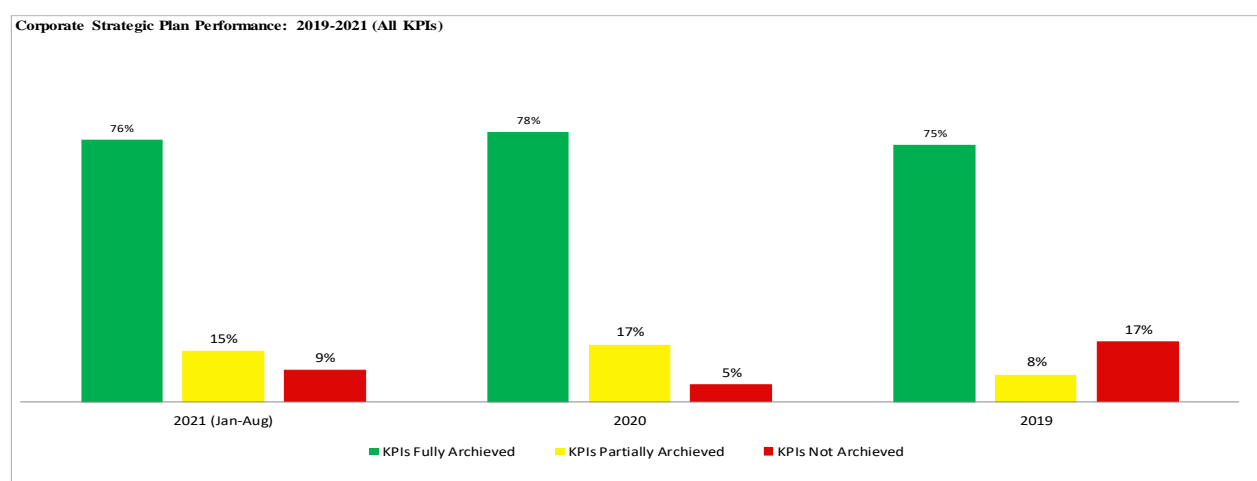
The performance of the CSP2019-2021, based on all KPIs, is depicted by Figure 1.1.

Figure 1.1: CSP2019-2021 Performance (2021 is as August)

Some significant milestones scored under the CSP2019-2021 are highlighted below:

Revenue Performance

Except for the year 2020 when the Authority recorded a deficit in collections due mainly to the COVID-19 pandemic, the Authority exceeded its revenue target in 2019 and in 2021 it had exceeded its annual revenue target by the third quarter. This 2021 performance was historic and demonstrated not only the soundness of the Authority's revenue collection strategy, but the hard work put in by everyone in the Authority.



ICT Innovations

The Authority successfully developed its TaxOnline system (TO2) inhouse for the administration of domestic taxes. Additionally, the Authority introduced other electronic platforms including TaxOnphone, TaxOnApp and payment via WhatsApp to ease tax administration and tax compliance. The Authority began working on the development of a customs module on TaxOnline system to replace ASYCUDAWorld system with effect from January 2022.

The Authority migrated some core systems to the private cloud and also migrated more than 1300 staff user accounts to the more dynamic Office 365. As part of measures to respond to COVID-19, the Authority successfully provided for remote connection to enable staff to work from home.

Several business processes under Human Resource and Administration Departments were also automated through the SAP and ShareNet in order to enhance the Authority's operational efficiency.

Client Experience

In order to enhance taxpayer convenience, Service Centres were opened at two shopping malls in Lusaka and one shopping mall in Kitwe. The Authority also established its presence on Facebook, Twitter, YouTube and LinkedIn to broaden interaction with its stakeholders.

Physical Infrastructure

The period witnessed the development of critical infrastructure to enhance the business of the Authority. The Nakonde-Tunduma and the Kazungula One Stop Border Posts were completed and officially launched. An office block was constructed at Chinsali while four single quarter staff houses were also constructed at Kipushi and at Kashiba border posts. The Authority also acquired property for its use in different locations across the country.



Chinsali Offices
Centre



Cosmopolitan Mall Service Centre



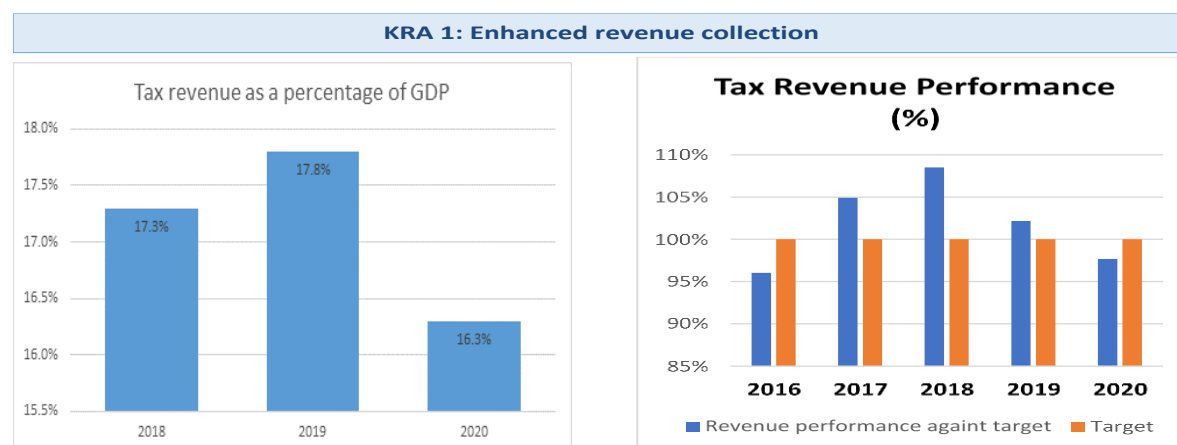
ECL Mall Service

COVID-19 Response

The year 2020 was adversely impacted by COVID-19 resulting in revenue performance being below target mainly as a result of concessions introduced by the Government to cushion the impact of the pandemic.

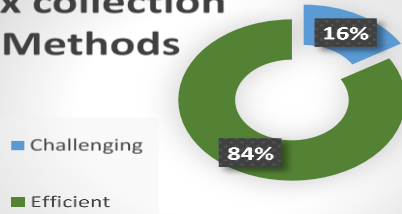
For its part, the Authority implemented several precautionary measures to mitigate the COVID-19 impact. These included: putting in place an advisory COVID-19 Response Team; configuring ICT capability for remote working; weekly staff rotations; facilitating COVID-19 testing for staff; provision of hand sanitizers at all ZRA premises; and proper wearing of masks; among others. All these measures helped to enhance the resilience of the Authority against the pandemic.

Below are notable statistics under the four Key Result Areas of the CSP2019-2021.



KRA 2: Satisfied and knowledgeable taxpayers

Perception of Tax collection Methods

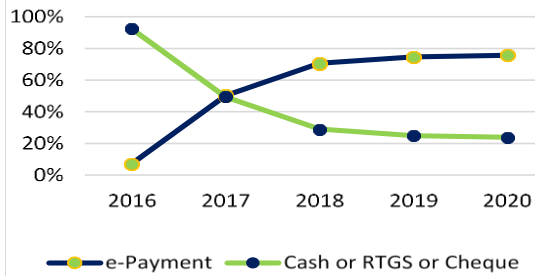


Perception of ZRA business processes

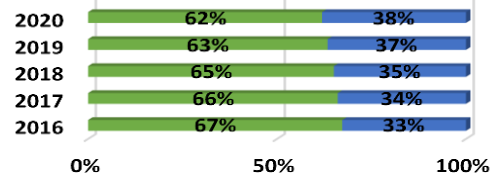


KRA 3: Simplified, efficient, and reliable business systems

Payment Mode



KRA 4: Committed, competent and high performing workforce



Employee Distribution

Male
Female

2. UNDERSTANDING THE BUSINESS ENVIRONMENT

2.1. SWOT Analysis

The environmental scan culminated in SWOT analysis shown in Table 2.1.

Table 2.1: SWOT Analysis

	<i>Factors likely to lead to positive change and further improvement</i>	<i>Factors which may compromise our performance and service delivery</i>
Internal	Strengths <ol style="list-style-type: none"> 1. Enabling legislation 2. Good corporate governance 3. Competent and qualified staff (for business as usual) 4. Electronic services (e-services) 5. Established business processes 6. Competitive employer 7. Home grown ICT solutions 8. Innovation's hub 	Weakness <ol style="list-style-type: none"> 1. Ineffective compliance risk management 2. Limited specialized skills 3. Weak data integrity 4. ICT system instability 5. Ineffective debt management process 6. Inadequate staff 7. Inadequate infrastructure and facilities 8. Limited geographical spread
External	Opportunities <ol style="list-style-type: none"> 1. Goodwill of Government and cooperating partners 2. Unexploited taxpayer base 3. Technology adoption by stakeholders 4. Institutional collaborations 5. Trade Protocols and Exchange of Information Agreements 6. Growth of the digital economy 7. Social media and artificial intelligence 8. Increased demand for base metals 	Threats <ol style="list-style-type: none"> 1. Unfavourable taxation agreements 2. Duplicated NRCs and BRNs (interface of ZRA with INRIS) 3. Inadequate interface with government agencies, contributing to revenue leakages (interface to Govt bus 4. Low compliance 5. Inadequate regulatory capacity for the mining sector 6. Economic shocks, pandemics and climate change 7. Risk of cyber crimes 8. Risk of terrorism 9. Economic crimes and illicit financial flows 10. Underdeveloped national ICT and other infrastructure 11. Cash economy

The Opportunities and Threats constitute strategic risks that are further analysed and managed through a well-structured risk management framework. The CSP is developed with the assumption that all the identified risks will be well managed to ensure achievement of the set strategic objectives.

2.2. Stakeholder Engagement

Both internal and external stakeholders were engaged to ascertain their perception of the Zambia Revenue Authority and provide input for the direction of the next Strategic Plan. The key issues raised were considered in identifying strategic issues addressed in this CSP. Table 2.2 is the Stakeholder Map showing the Authority's stakeholder management strategy.

Table 2.2: Stakeholder Map

		Keep satisfied	Keep informed, involved and contributing
Level of Power	High	1. Civil Society 2. Cooperating Partners 3. General Public	1. Government vis-à-vis Supervising Ministry
		Minimal Effort	Keep Informed
	Low	1. Media Houses 2. Learning Institutions	1. Associations and Sector/Industry Regulators
		Low	High
Level of Interest			

2.3. Strategic Issues

Following review of the performance of the Corporate Strategic Plan 2019-2021, assessment of the business environment and feedback from stakeholders, ten (10) strategic issues were identified to be addressed in the development of the CSP2022-2024.

For each of the strategic issues, an analysis was carried out using the 5-WHY model to determine the root cause (see Table 2.3).

Table 2.3: Strategic Issues and Root Causes

STRATEGIC ISSUE	ROOT CAUSE
1. Debt remission process	<ul style="list-style-type: none"> • Remission conditions are too stringent (LAW) • Limitations in legacy systems to enable effective data migration • Debt recovery module still under development
2. Inadequate capacity to tax e-commerce	<ul style="list-style-type: none"> • Inadequate skills on how to tax e-commerce • No benchmarking undertaken • Difficulty to provide user requirements for user enhancements of current system
3. Low tax compliance	<ul style="list-style-type: none"> • Inadequate resources to enhance system with deregistration Kaizen rules • High tax and exchange rates • Limited capacity to reach taxpayers • Lack of knowledge by taxpayers • High cost-benefit ratio to reach the huge informal sector
4. Stabilisation of new ICT systems	<ul style="list-style-type: none"> • The phased approach adopted in rolling out TO2 modules against the set deadline for the end of support for TO1. • Inadequate quality assurance tools and inefficient code in some functions • Inadequate ICT infrastructure capacity (servers, band width etc.)
5. Inadequate ICT infrastructure (including cyber security)	<ul style="list-style-type: none"> • Below optimal funding to ZRA
6. Inadequate BCP	<ul style="list-style-type: none"> • Below optimal funding for BCP
7. Inadequate physical infrastructure and support facilities	<ul style="list-style-type: none"> • Lack of a structured planning framework post Budget Approval (<i>Wider consultation during reallocation</i>)
8. Lack of secure - consistent funding mechanism for ZRA operations	<ul style="list-style-type: none"> • Current funding model
9. Taxpayer register with some information gaps (incomplete demographics and data migration from legacy systems)	<ul style="list-style-type: none"> • Lack of Know Your Customer (KYC) system for following up on taxpayers
10. Inadequate staffing levels	<ul style="list-style-type: none"> • Lack of proper workload analysis at functional level (no effective monitoring at this level) • Below optimal funding to ZRA

3. VISION, MISSION AND VALUES

The following are the Authority's Vision, Mission and Core Values statements.

Vision Statement

A model of excellence in revenue administration and trade facilitation

Mission Statement

To optimise and sustain revenue collection and administration for a prosperous Zambia

Core Values



WE believe in delivering excellent services and value our taxpayers. We provide timely, responsive and proactive service. We take time to understand taxpayers' needs and always strive to surpass their expectations.



WE will do what we say we will do. We will up-hold professional and ethical business practices. The company's interactions with stakeholders will be done transparently for mutual benefits. We will ensure honesty, integrity and respect to all.



WE uphold high quality standards and etiquette in our dealings to enhance professional competence by providing the highest level of service.



WE are creative, bold and believe in continuous learning and improvement. We believe these will sustain total quality consciousness in the organization.



WE collaborate internally and externally to maximise our shared knowledge and bring greater value to one another and most importantly, to our customers. We work together as one ZRA family, in partnership with other organizations and always embrace diversity and inclusiveness.

4. STRATEGIC PILLARS, KEY RESULT AREAS STRATEGIC OBJECTIVES

A total of nine (9) Strategic Objectives have been set for the period 2022 – 2024 aligned under four Key Result Areas and Strategic Pillars (See Figure 4.1).

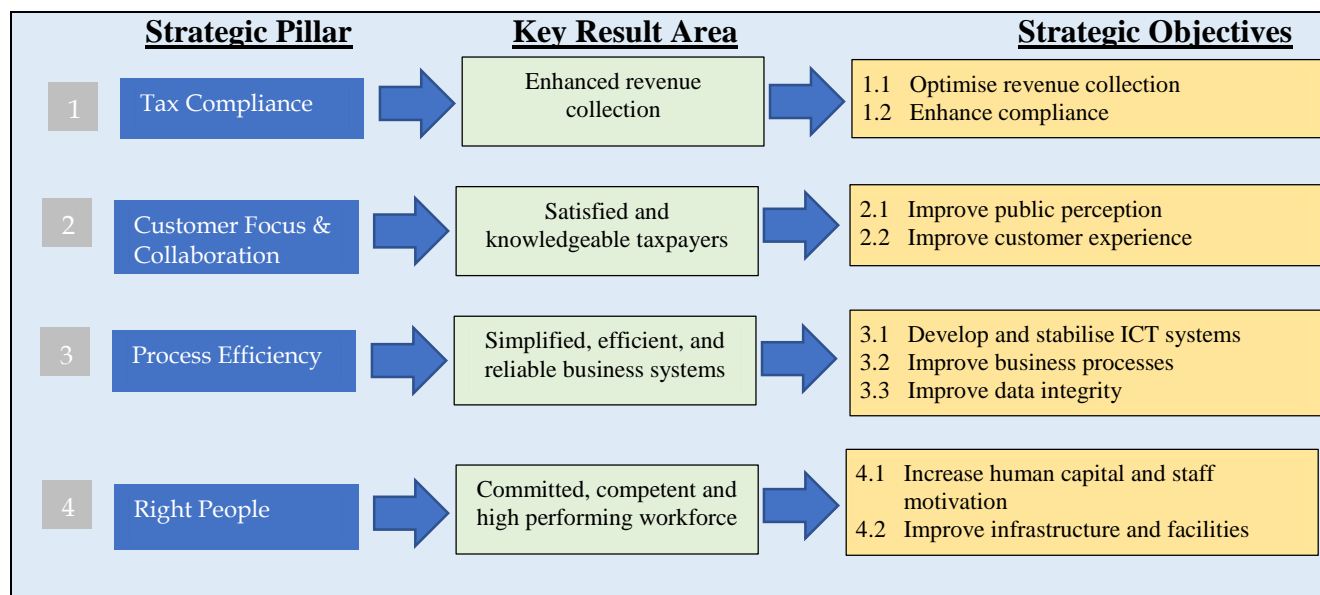


Figure 4.1: Strategic Pillars, Key Result Areas and Strategic Objectives

Each Strategic Objective has a number of strategic initiatives under it, which indicate how the objective is expected to be achieved.

4.1. Strategic Objectives

4.1.1. KRA 1: Enhanced Revenue Collection

Strategic Objective 1.1: Optimise Revenue Collection

Initiatives:

- Recommend revision in the financing model for the Authority
- Produce revenue forecasts and expectations
- Monitor revenue collection and produce performance reports

Strategic Objective 1.2: Enhance Compliance

Initiatives:

- Develop real-time Interfaces with identified local institutions and countries in the region
- Review the debt management process through KAIZEN
- Use the Tax Policy Review process to review:
 - the debt remission process; and
 - the penalty regime for late filing of VAT returns
- Develop debt remission function on TO2
- Implement transit monitoring system
- Operationalize revised deregistration rules to remove inactive taxpayers
- Recommend standard duty rate for selected goods

- h. Implement Cooperative Compliance Strategy
- i. Operationalize MoUs with councils
- j. Enhance collaborations with other key agencies
- k. Implement a real time online system for acquittal of transits
- l. Operationalize MoU signed with Ministry of Finance & National Planning as well as Ministry of Local Government & Rural Development regarding partnership with local authorities
- m. Implement prefilled tax returns (VAT, IPL and CIT)
- n. Increase audit coverage and selectivity using BIDA
- o. Explore use of artificial intelligence to detect suspicious transactions
- p. Automate Block Management System
- q. Conduct a study to estimate the volume and value of the digital economy in Zambia
- r. Develop and implement strategy on taxation of digital economy
- s. Build capacity for taxing the digital economy and other specialised areas
- t. Benchmark with other jurisdictions
- u. Amend the Income Tax Act to provide for taxation of e-Commerce
- v. Introduce digital stamps for selected excisable goods
- w. Create a Mineral Data Analysis Unit under the Large and Specialised Taxpayer Office

4.1.2. KRA 2: Satisfied and Knowledgeable Taxpayers

Strategic Objective 2.1: Improve Public Perception

Initiatives:

- a. Develop and implement a plan to improve branding and ambience
- b. Conduct quarterly surveys on performance of the service charter
- c. Create a platform for capturing feedback from stakeholder engagements
- d. Create an International Liaison Office
- e. Improve stakeholder management

Strategic Objective 2.2: Improve Customer Experience

Initiatives:

- a. Implement a Customer Relationship Management System
- b. Train all employees in customer service
- c. Implement internal service desk in all departments
- d. Expand the usage of social media platforms for taxpayer education
- e. Develop and implement a plan for geographical expansion of ZRA presence.
- f. Establish customer experience presence in all provinces
- g. Expand self service delivery channels such as self-service kiosks.
- h. Introduce interactive toll-free telephone answering system

4.1.3. KRA 3: Simplified, efficient, and reliable business systems

Strategic Objective 3.1: Develop and stabilise ICT systems

Initiatives:

- a. Upgrade and enhance ICT systems

- b. Develop complete integration between TO2 and the customs module
- c. Conduct End User System based Surveys
- d. Develop and implement ICT Strategy
- e. Devise a three-year budgeting plan for ICT
- f. Develop new ICT systems
- g. Deploy new servers for applications for the core business systems
- h. Implement new data centers at Head Office and Mpendwa House
- i. Optimize the use and reduce cost of software licenses.
- j. Implement Enterprise Service Bus
- k. Develop and implement a Cyber Security Strategy
- l. Implement a compulsory requirement to update taxpayer details when applying for TCC
- m. Implement a configurable pop up solution for taxpayers to update demographics on TO2 and the customs module
- n. Enhance third party integration to improve data quality

Strategic Objective 3.2: Improve business processes

Initiatives:

- a. Implement the BCM strategy
- b. Enhance the M&E process for the CSP (automation)
- c. Introduce inhouse KAIZEN course and annual conference
- d. Introduce a KAIZEN Committee at SMM
- e. Review the planning and operational budgeting process

Strategic Objective 3.3: Improve data integrity

Initiatives:

- a. Develop the data governance framework
- b. Reconcile and Migrate all legacy transactions on TARPS and TO 1
- c. Reconcile and acquit outstanding transactions on ASYCUDAWorld
- d. Develop mechanism for documenting and updating taxpayer demographics

4.1.4. KRA 4: Committed, competent and high performing workforce

Strategic Objective 4.1: Increase human capital and staff motivation

Initiatives:

- a. Conduct organisation review and job evaluation
- b. Development and implement a 3-year workforce plan
- c. Implement the Talent Management Plan and Succession Plan
- d. Realign the current HR operating model to an HR business partnering model
- e. Implement inhouse e-learning
- f. Implement Mentorship programme
- g. Develop and implement women-in-leadership programmes
- h. Conduct Employee Engagement Survey (by external consultant)
- i. Develop Diversity and Inclusion Policy
- j. Develop and implement staff engagement initiatives
- k. Implement corruption prevention plan
- l. Undertake comprehensive ethics risk assessment

m. Promote internalization of ZRA core values

Strategic Objective 4.2: Improve infrastructure and facilities

Initiative:

a. Develop and implement a Physical Infrastructure Development Plan

4.2. Strategy Map

The objectives are linked across the Key Result Areas in a cause-effect relationship as demonstrated in Figure 4.2.

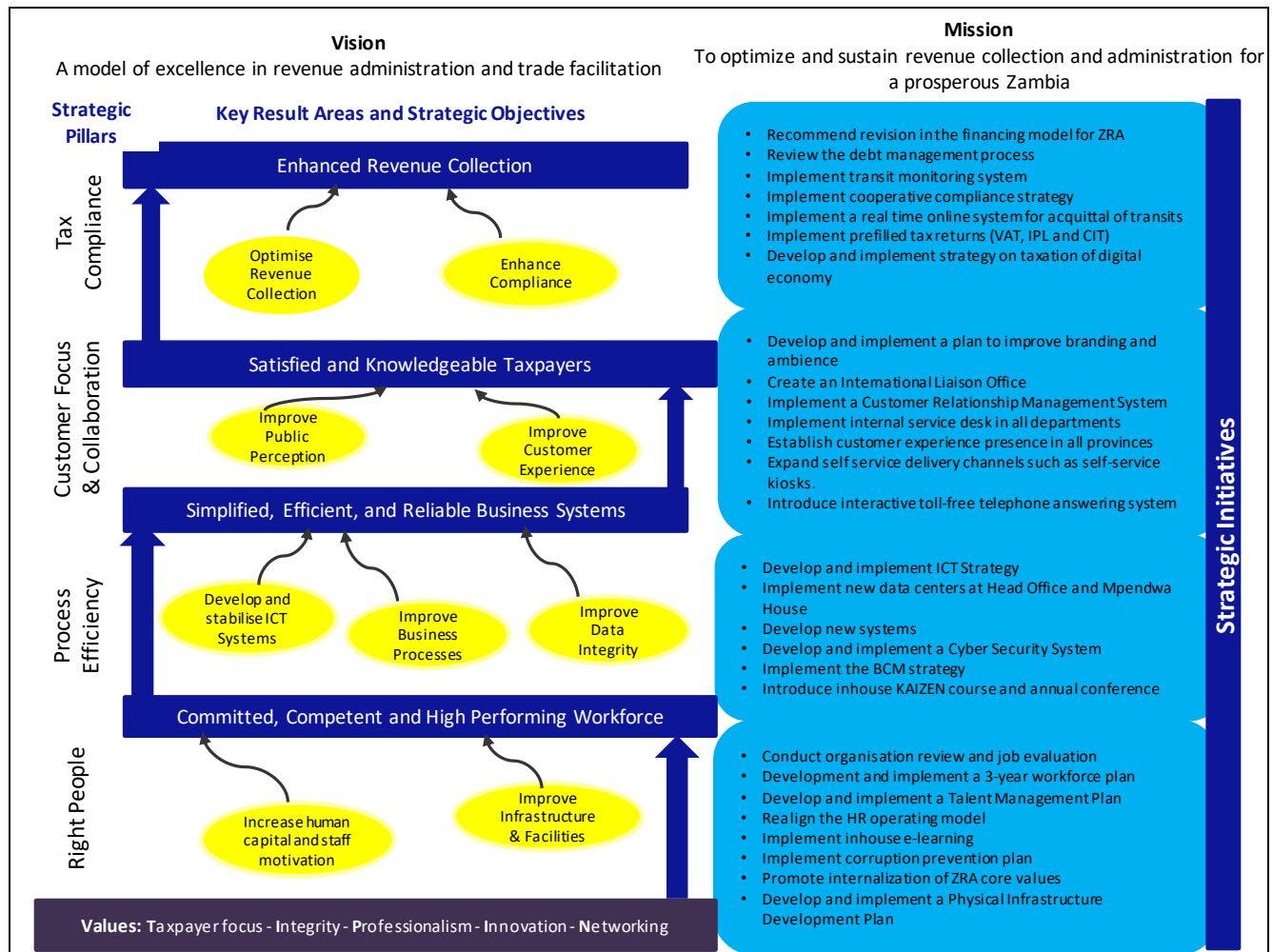


Figure 4.2: ZRA Strategy Map

5. RESOURCE ALLOCATION AND PERFORMANCE REPORTING

5.1. Resource Allocation

For ZRA to achieve its goals and attain the projected performance levels, a sum of circa ZMW 6.18 billion is projected as the required investment in the organisation over the three-year period of the CSP. These operational funds will be mainly realised from Government annual grants in line with the fiscal year of the Republic of Zambia. In addition, assistance will be sought from cooperating partners and other financing options like Public Private Partnerships (PPP).

Therefore, ZRA will adopt a proactive approach to engage various stakeholders for resource support in order to fully operationalise this Plan.

With respect to revenue, ZRA is expected to realise a total Tax Revenue yield of ZMW 314.1 billion over the period of this CSP broken down as indicated in Table 5.1

Table 5.1: Revenue Projections for the Period 2022-2024¹

	2022 Projection		2023 Projection		2024 Projection	
	K' Thousand	%	K' Thousand	%	K' Thousand	%
Gross Domestic Product	483,459,400	100	543,913,900	100	622,249,100	100
Total Revenue	89,673,056	18.5%	104,093,476	19.0%	120,400,436	19.3%
Total Tax Revenue	77,100,827	15.9%	89,846,967	16.4%	104,708,839	16.8%
Cost of Collection is envisaged to be between 2% and 3% to ensure operational efficiency						

5.2. Performance Management and Reporting

To ensure strategic alignment, the Research & Corporate Strategy (RCS) Department will be charged with the responsibility of coordinating the cascading of the CSP to Annual Output Plans (ADOPs) of all divisions, departments and units.

Monitoring, evaluation and reporting of performance of the CSP will be based on Key Performance Indicators (KPIs). The CSP has a total of 44 KPIs, which will be tracked at different levels as follows: 2 at National level and 11 at Governing Board level. Senior Management will track all the KPIs in the CSP (see Figure 5.1).

¹ These are preliminary numbers as at September, 2021

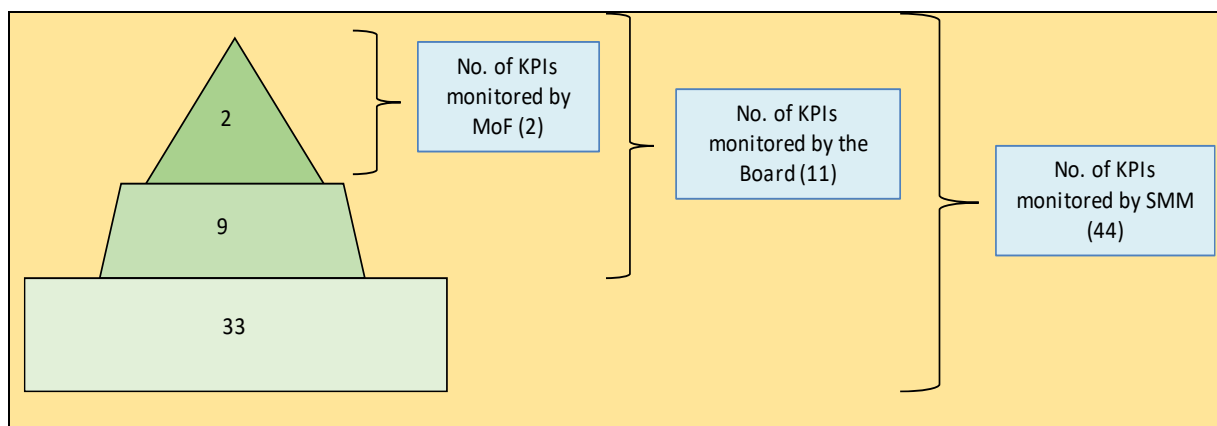


Figure 5.1: No. of KPIs to be monitored at different levels

With the rollout of the GIZ supported Bulk Intelligence Data Analysis (BIDA) Project, it is envisaged that the Monitoring, Evaluation and Reporting System will be enhanced and automated.

Annex 1: The Strategic Implementation Plan

KRA 1: ENHANCED REVENUE COLLECTION

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
1.1 Optimise Revenue Collection	1.1.1 Recommend revision in the financing model for the Authority	Parliament approved annual revenue target met	128%	100%	100%	100%
		Percentage of tax types that met set targets	65%	70%	75%	80%
	1.1.2 Produce revenue forecasts and expectations	Tax Revenue to GDP ratio	16.7%	18.5%	19.0%	19.3%
	1.1.3 Monitor revenue collection and produce performance reports	Cost of Collection (CoC) [Government funding to revenue ratio] to be maintained between 2% and 3%	1.4%	2%	2%	2%
1.2 Enhance Compliance	1.2.1 Develop real-time Interfaces with the following local institutions In 2022: a) Government Service Bus b) Ministry of Finance (IFMIS) (enhancement) c) Ministry of Lands d) RTSA e) PACRA (enhancement) f) BOZ NAPSA In 2023:	Number of institutions newly interfaced with	2	7	3	3

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	a) National Registration Office (INRIS) b) ZPPA (e-GP system Immigration Department In 2024: a) ZESCO b) RDA c) ZEMA					
	1.2.2 Develop real-time Interface with the following countries 2022: a) DRC b) Tanzania c) Zimbabwe 2023: a) Botswana b) Malawi c) Mozambique d) South Africa	Number of countries newly interfaced with	2	3	4	

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	1.2.3 Review the debt management process through KAIZEN	Percentage (minimum) of debt stock within 90 days	1%	10%	15%	20%
	1.2.4 Use the Tax Policy Review process to review:	Percentage of return liabilities turning into new debt	23.1%	20%	19%	18%
	a) the debt remission process; and	Debt/Tax Revenue Ratio	67.6 ² %	57.6%	47.6%	30%
	b) the penalty regime for late filing of VAT returns					
	1.2.5 Develop debt remission function on TO2	Percentage of debt arising from transits	1%	0.8%	0.6%	0.4%
	1.2.6	Percentage of tax types that meet set return filing compliance	50%	60%	70%	80%
	1.2.7 Operationalize revised deregistration rules to remove inactive taxpayers					
	1.2.8 Implement Cooperative compliance strategy					
	1.2.9 Enhance collaborations with other key agencies					
	1.2.10 Create a Mineral Data Analysis Unit under the					

² Total corporate debt as at 31st August 2021 stood at K40.5 billion while total revenue outturn was K59.35 billion. Over the next three years an assumption was made that the ratio would decrease by 5 percentage points each year.

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	Large and Specialized Taxpayer Office 1.2.11 Automate Block Management System 1.2.12 1.2.20 Implement prefilled tax returns (VAT, IPL and CIT)					
	1.2.13 Implement electronic cargo transit monitoring system (ECTS) 1.2.14 Implement a real time online system for acquittal of transits	Percentage of transits acquitted out of total transits	91%	93%	94%	95%
	1.2.15 Operationalize MoU signed with Ministry of Finance & National Planning as well as Ministry of Local Government & Rural Development regarding partnership with local authorities	Number of contracts signed with individual local authorities	33	43	60	80
	1.2.16 Increase audit coverage and selectivity using BIDA 1.2.17 Explore use of artificial intelligence to detect suspicious transactions	Percentage of taxpayers audited	4%	5%	6%	8%

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	1.2.18 Amend the Income Tax Act to provide for taxation of e-Commerce	Percentage of identified digital/e-commerce businesses registered	New		70%	90%
	1.2.19 Conduct a study to estimate the volume and value of the digital economy in Zambia					
	1.2.20 Develop and implement strategy on taxation of digital economy	Percentage of registered digital/e-commerce businesses filing returns	New		60%	80%
	1.2.21 Build capacity for taxing the digital economy and other specialized area	Percentage of registered digital/e-commerce businesses making payments (payment compliance)	New		50%	70%
	1.2.22 Benchmark with other jurisdictions					
	1.2.23 Introduce digital stamps for selected excisable goods	Digital stamps implemented	New		100%	

KRA 2: SATISFIED AND KNOWLEDGEABLE TAXPAYERS

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
2.1 Improve Public Perception	2.1.1 Develop and implement a plan to improve branding and ambience	Percentage of stakeholders with favourable perception of ZRA	88%	88%	89%	90%
	2.1.2 Conduct quarterly surveys on performance of the service charter					
	2.1.3 Create a platform for capturing feedback from stakeholder engagements	Percentage of service charter standards met	66%	68%	70%	75%
	2.1.4 Create an International Liaison Office					
	2.1.5 Improve stakeholder management					
	2.1.6 Engage a third party to undertake taxpayer's perception surveys					
2.2 Improve Customer Experience	2.2.1 Implement a Customer Relationship Management System	Percentage of satisfied taxpayers	86%	88%	89%	90%
	2.2.2 Train all employees in customer service					
	2.2.3 Implement internal service desk in all departments					
	2.2.4 Expand the usage of social media platforms for taxpayer education					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	2.2.5 Develop and implement a plan for geographical expansion of ZRA presence. 2.2.6 Establish customer experience presence in all provinces 2.2.7 Expand self service delivery channels such as self-service kiosks. 2.2.8 Introduce interactive toll-free telephone answering system					

KRA 3: SIMPLIFIED, EFFICIENT AND RELIABLE BUSINESS SYSTEMS

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
3.1 Develop and stabilise ICT systems	3.1.1 Upgrade and enhance ICT systems	Percentage of satisfied end users of ZRA ICT systems	84%	86%	88%	90%
	3.1.2 Develop complete integration between TO2 and the customs module					
	3.1.3 Conduct End User System based Surveys					
	3.1.4 Develop and implement ICT Strategy	Percentage up time of ICT system	99.5%	99.9%	99.9%	99.9%
	3.1.5 Devise a three-year budgeting plan for ICT					
	3.1.6 Develop new ICT systems					
	3.1.7 Deploy new servers for applications for the core business systems	Percentage of ICT infrastructure in use that is within warranty	31%	50%	60%	70%
	3.1.8 Implement new data centers at Head Office and Mpendwa House					
	3.1.9 Optimize the use and reduce cost of software licenses.	Percentage of software upgraded to the latest tried and tested version	100%	100%	100%	100%
	3.1.10 Implement Enterprise Service Bus					
	3.1.11 Develop and implement a Cyber Security Strategy					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	3.1.12 Implement a compulsory requirement to update taxpayer details when applying for TCC	Percentage of identified cyber security vulnerabilities treated	New	100%	100%	100%
3.2 Improve business processes	3.2.1 Implement the BCM strategy	Percentage of successful DR switch overs	60%	80%	90%	100%
	3.2.2 Enhance the M&E process for the CSP (automation)					
	3.2.3 Introduce inhouse KAIZEN course and annual conference	Percentage of KAIZEN projects completed out of all due for completion in the year	17%	100%	100%	100%
	3.2.4 Introduce KAIZEN committee at SMM					
	3.2.5 Review the planning and operational budgeting process	Percentage of projects completed out of approved project portfolio for the year	New	100%	100%	100%
	3.2.6 Revise the benefits review process	Percentage of completed projects yielding expected benefits	New	100%	100%	100%
	3.2.7 Develop Business analysis strategy					
3.3 Improve data integrity	3.3.1 Develop the data governance framework	Data governance framework developed and implemented	New	100%		
	3.3.2 Reconcile and Migrate all legacy transactions on TARPS and TO 1					
	3.3.3 Reconcile and acquit outstanding transactions on ASYCUDAWorld	Percentage of legacy cases reconciled (TARPS & TO1)	3%	10%	20%	30%

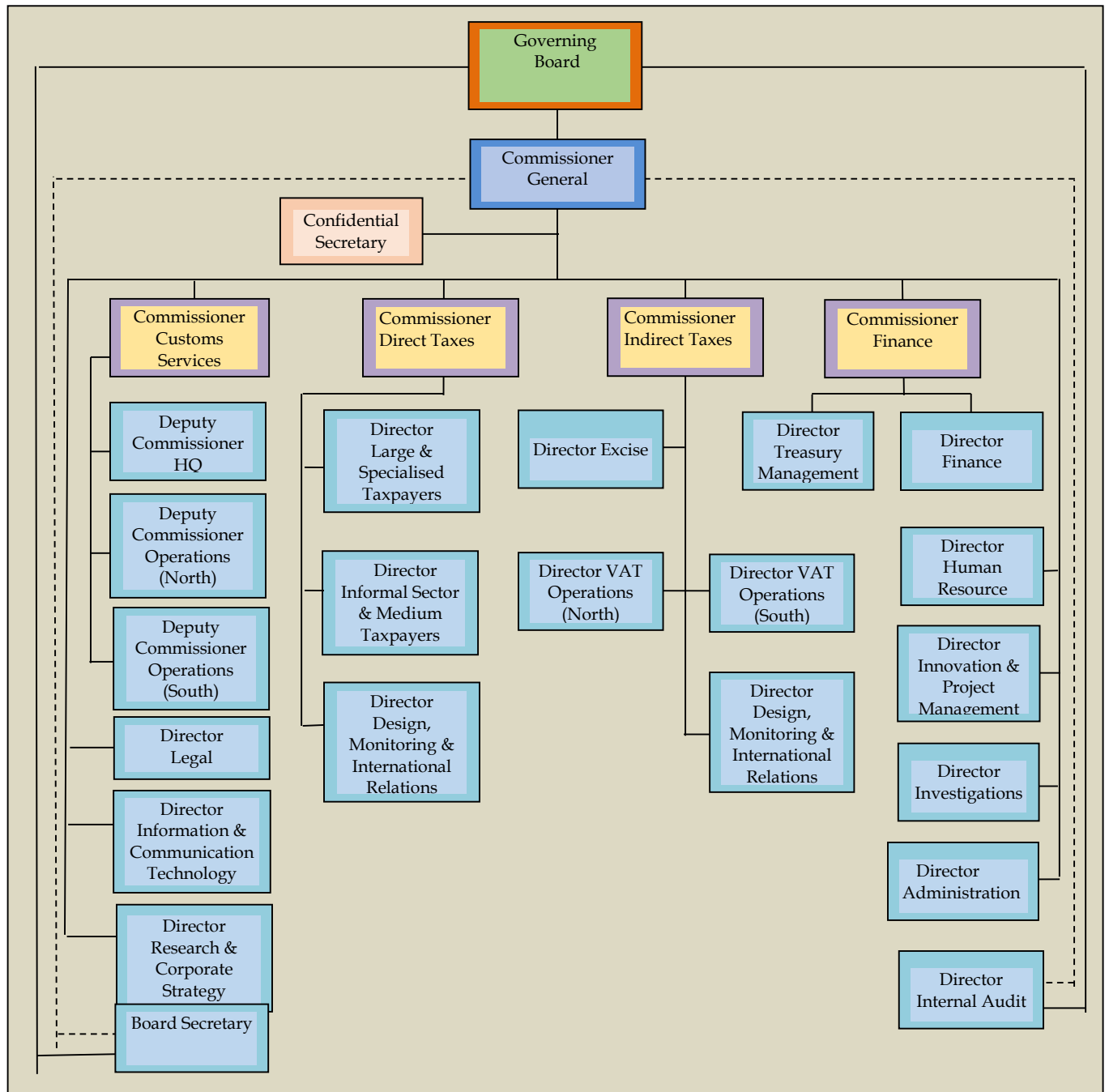
Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	3.3.4 Develop mechanism for documenting and updating taxpayer demographics	Percentage of legacy customs transactions reconciled	40%	60%	80%	100%
	3.3.5 Implement a configurable pop up solution for taxpayers to update demographics on TO2 and the customs module	Percentage of taxpayers with complete data	New	50%	65%	75%
		Percentage of taxpayers that have updated or confirmed their data	New	60%	70%	80%
	3.3.6 Enhance third party integration to improve data quality	Percentage of identified demographics issues resolved	New	80%	95%	100%

KRA 4: COMMITTED, COMPETENT AND HIGH PERFORMING WORKFORCE

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
4.1 Increase human capital and staff motivation	4.1.1 Conduct organization review and job evaluation	Approved staff complement	2450	2750	3050	3350
	4.1.2 Development and implement a 3-year workforce plan					
	4.1.3 Implement the Talent Management Plan and Succession Plan	Percentage of staff who met their performance objectives	99%	95%	95%	95%
	4.1.4 Realign the current HR operating model to an HR business partnering model					
	4.1.5 Implement inhouse e-learning	% of employee engagement	74%	76%	76%	78%
	4.1.6 Implement Mentorship programme					
	4.1.7 Develop and implement women-in-leadership programmes					
	4.1.8 Conduct Employee Engagement Survey (by external consultant)					
	4.1.9 Develop Diversity and Inclusion Policy	Percentage of inhouse courses converted to e-learning	0	50%	60%	80%
	4.1.10 Develop and implement staff engagement initiatives					
	4.1.11 Implement corruption prevention plan					

Strategic Objective	Initiatives	Key Performance Indicator	Service Delivery Target			
			Baseline	2022	2023	2024
	4.1.12 Undertake comprehensive ethics risk assessment					
	4.1.13 Promote internalization of ZRA core values	Percentage of employees dismissed for unethical conduct	0.38%	1%	1%	1%
	4.1.14 Conduct employee satisfaction survey					
	4.1.15 Engage a third party to conduct annual corruption perception surveys.					
4.2 Improve infrastructure and facilities	4.2.1 Develop and implement a Physical Infrastructure Development Plan	Number of ZRA staff houses constructed	8	20	10	10
	4.2.2 Implement projects governance framework					
	4.2.3 Conduct a space audit	Percentage of rented office space	15%	12%	10%	5%
	4.2.4 Compile Health and safety standards					
		Percentage of Occupancy Standards adhered to	40%	50%	60%	70%

Annex 2: ZRA Organisation Structure for Senior Management



CONTACT - Head Office, Revenue House, Kabwe Roundabout, Kalambo Road, LUSAKA,
P.O Box 35710, Tel: +260 211 383100, +260 211 383106, +260 211 383109

